

**Assembly Bill No. 294**

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Passed the Assembly August 29, 2012

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*Chief Clerk of the Assembly*

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Passed the Senate August 28, 2012

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add and repeal Article 6.3 (commencing with Section 217) of Chapter 1 of Division 1 of, the Streets and Highways Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 294, Portantino. Transportation projects: procurement: design-sequencing.

Until January 1, 2010, the Department of Transportation was authorized to conduct a pilot project to let design-sequencing contracts, as defined, for design and construction of not more than 12 transportation projects. These provisions are now repealed.

This bill would enact new provisions, authorizing the department to let contracts for construction of not more than 8 transportation projects utilizing the design-sequencing method, to be effective until January 1, 2017. The bill would require the department to use department employees or consultants under contract with the department to perform all design services related to design plans for the transportation projects, as specified. The bill would require the department to compile data on the transportation projects awarded under these provisions and to make that information available on its Internet Web site each year during which the projects are underway, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) The design-sequencing pilot program was established by previous state legislation and administered by the Department of Transportation. The first and second phases of the program authorized a total of 24 design-sequencing projects and had a sunset date of January 1, 2010. A report will be submitted to the Legislature that will describe and evaluate the outcome of the completed projects. Current design-sequencing indicators have provided generally good assessments of the program.

(b) State and federal funds for transportation often require projects to be awarded under time constraints.

(c) It is the intent of the Legislature, therefore, to provide the Department of Transportation with a project delivery tool that has the potential to increase efficiency, reduce costs incurred by the state, and help California take advantage of available state and federal funds.

(d) It is the intent of the Legislature that the Department of Transportation be provided with interim authority to establish design-sequencing contracts. Because current evaluations of the pilot program show positive outcomes in time savings, the interim authority will allow design-sequencing to be used as a valuable tool on appropriately selected projects. This will help the state utilize state and federal funds as they become available.

SEC. 2. Article 6.3 (commencing with Section 217) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

#### Article 6.3. Design-Sequencing Program

217. The following definitions apply for the purposes of this article:

(a) “Design-sequencing” is a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction.

(b) A “design-sequencing contract” is a contract between the department and a construction contractor in which the department is the responsible agency for, and performs the design of, a project that permits construction of the project to commence upon completion of design for a construction phase.

217.1. (a) Notwithstanding Section 10120 of the Public Contract Code, the department, at the director’s discretion, may let contracts for construction of not more than eight transportation projects, to be selected based on criteria established by the director, utilizing the design-sequencing method. For the purpose of this article, these projects shall be deemed public works.

(b) The department shall use department employees or consultants under contract with the department to perform all

design services related to the design of plans for contracts authorized in this article, consistent with Article XXII of the California Constitution. Department resources, including personnel requirements, necessary for the performance of those services shall be included in the department's capital outlay support program for workload purposes in the annual Budget Act.

(c) To the extent available, the department shall seek to incorporate existing knowledge and experience on design-sequencing contracts in carrying out its responsibilities under subdivision (a).

(d) Not later than July 1 of each year during which projects pursuant to design-sequencing contracts awarded under this article are underway, the department shall, for each of those projects, compile data, including the stage of completion, district, cost, description, status, estimated time to complete the project, and, as appropriate, actual time to complete the project, and shall make this information available on its public Internet Web site.

217.2. Design-sequencing contracts under the program, as described in Section 217.1, shall be awarded in accordance with both of the following:

(a) The department shall advertise design-sequencing projects by special public notice to contractors.

(b) Contractors shall be required to provide prequalification information establishing appropriate licensure and successful past experience with the proposed work.

217.3. The department may utilize design-sequencing authority only on projects that are deemed to have a high probability of success as determined by the "Design-Sequencing Project Selection Criteria" contained in the "Design-Sequencing Nomination Fact Sheet" developed by the department. For the purposes of this section, "high probability" means there is a likelihood that a time savings will be realized, construction costs will be reduced, or available state or federal funds will be captured by utilizing design-sequencing.

217.4. This article shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.







Approved \_\_\_\_\_, 2012

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*Governor*